GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:3480
ANSWERED ON:20.03.2001
CONSTITUTION OF COMMITTEE BY DDA FOR INVESTMENT DECISIONS
PRABHUNATH SINGH;RAMJI MANJHI

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether the DDA had constituted a Committee during 1993 for investment decisions;

(b) if so, whether the said Committee has since submitted its report;

(c) if so, the details thereof and the action taken thereon;

(d) whether the DDA kept a large sum of the money in Savings Bank Account from April to June 1997 without gainful investment;

(e) if so, whether the matter has been inquired into and any responsibility has been fixed for causing loss to DDA;

(f) if so, the details thereof;

(g) whether the DDA suffered a loss of interest due to encashing the fixed deposit receipts after the expiry of maturity dates; and

(h) if so, the reasons for not withdrawing the money immediately on maturity and the action taken by Government in this regard?

Answer

MINISTER OF STATE FOR URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI BANDARU DATTATREYA)

(a),(b)&(c): The DDA has reported that during 1993, a Committee was constituted in DDA for:

(i) investment of surplus funds,

(ii) investment of all fixed deposits falling due for encashment,

(iii) to obtain quotations every week.

(d),(e)&(f): The DDA kept about Rs.200 crores during Aprilto June, 1997 in Saving Bank Accounts of Nationalised Banks in order to meet the requirement of payment for land acquisition in Rohini, Phase- IV, Narela and West Dwarka which was likelyto entail an expenditure of Rs.713 crores in 1997-98. DDA has earned interest of 5% on this amount during April to June, 1997, hence no enquiry was called for. The amount was subsequently invested.

(g)&(h): Some of the fixed deposits which matured during 1997-98 had not been encashed in time. One of the reasons was that the date of maturity of some fixed deposits fell on Saturday, Sunday & holidays. An amount of Rs.19,67,422/- out of Rs.20.22lacs have already been recovered from the Banks. The process of making investments in Banks has been strengthened by ensuring that funds are placed with only a limited number of Banks indicated b y the Nodal Officers nominated for each Nationalised Bank, computerization of investment portfolio and generating weekly advance report on maturities, thus helping timely encashment.